

[signed and mailed 7/27/06]

CERTIFIED MAIL No. 7005 2570 0001 6436 2886
RETURN RECEIPT REQUESTED

Mr. Leon May
PTP, Incorporated
P.O. Box 188
Minden, NV 89423

Re: NOTICE OF VIOLATION - Underground Injection Activities at Pineview Estates

Dear Mr. May:

The United States Environmental Protection Agency, Region 9 (EPA) hereby provides notice that PTP, Incorporated (“**Permittee**”) is in violation of federal Underground Injection Control (“**UIC**”) regulations. Permittee has violated 40 Code of Federal Regulations (“**CFR**”) §144.12(a), and the conditions of Class V UIC Permit No. NV504000001 (40 CFR §144.51(a)). Specifically, the injection of sanitary waste at the Pineview Estates Disposal Field A (“**DFA**”) and Disposal Field B (“**DFB**”) injection wells is not in compliance with the following UIC regulations and major permit conditions:

1) Prohibition of Movement of fluid into Underground Sources of Drinking Water (“USDW”) (40 CFR §144.12(a))

Permittee has violated this regulation with the failure to prevent fluid movement into a USDW so that the concentration of fecal coliform bacteria causes a violation of a primary drinking water regulation under 40 CFR §142. Any detection of fecal coliform bacteria in a USDW as a result of injection activities constitutes a violation of the UIC regulations.

Monthly ground water sampling at DFA detected the presence of fecal coliform bacteria during March 2006. Monthly ground water sampling at DFB detected the presence of fecal coliform bacteria from January 2006 through May 2006.

2) Parts II.D.2.a, II.F.4, and III.E.12 - Upset Conditions (40 CFR §144.51(a))

Under the permit, all injectate is required to meet the concentration limits of 25 milligrams per liter (mgL⁻¹) for total suspended solids and biological oxygen demand and 15 mgL⁻¹ for nitrate-nitrogen prior to injection well disposal. In addition, the permit requires that injection activities cannot cause the detection of coliphage viruses

(indicators of enteric viruses) in a USDW. Any violation of these limits constitutes “upset conditions” under the permit.

Monthly injectate samples at DFA violated these conditions from August 2005 through May 2006. Monthly injectate samples at DFB violated these conditions from June 2005 through February 2006, and in May 2006.

If Upset Conditions for total suspended solids, biological oxygen demand, nitrate-nitrogen, or coliphage exist, the permit requires (1) immediate re-sampling of the parameter in violation, and (2) verbal notification to EPA within 24 hours, and written notification within five days of Permittee’s knowledge of the upset condition(s). These requirements were not carried out by the Permittee for any of the Upset Conditions noted in this section.

3) Part II.E.2 - Perform Maintenance (40 CFR §144.51(a))

The permit required an inspection of all septic tanks at Pineview Estates by a qualified wastewater operator, and the entire DFA and DFB wastewater collection, treatment, and injection systems by a registered engineer by September, 2005. These activities were not carried out by the Permittee.

4) Part II.G.1.a - Reporting Frequency (40 CFR §144.51(a))

The permit requires summary reports for all sampling and maintenance activities (as described in the permit) to be submitted on a monthly basis. EPA did not receive results for the monthly sampling from January 2006 to May 2006 until July 13, 2006. EPA has not received any maintenance reports since November, 2005.

EPA requires the Permittee to address the following item as soon as possible, but no later than August 18, 2006:

1) Install disinfection processes that are designed to remove 99.9% of all pathogens at DFA and DFB, and develop a monitoring plan to ensure the systems are operating properly.

Please provide EPA with all information associated with this item on a weekly basis. Specifically, we would like to have a weekly phone conversation with the Permittee and the contractor responsible for implementing this item (until the disinfection process is installed and operating), to be included on the mailing list for all correspondence related to this item, and to receive draft designs for any process developed to address this item when they become available.

EPA requires the Permittee to address the following items no later than August 31, 2006:

2) Coordinate with project consultants so that EPA (via email to byous.eric@epa.gov) will receive all analytical sampling results (as carried out under

the permit requirements) when they are completed directly from the analytical laboratory;

3) Provide EPA with all reports that document the wastewater maintenance activities at Pineview Estates from December 2005 to July 2006;

4) Hire a qualified wastewater professional to inspect the septic tanks at Pineview Estates according to Part II.E.2.b of the permit, and submit the summary inspection report to EPA;

5) Hire a registered professional engineer to inspect the entire DFA and DFB wastewater collection, treatment, and injection systems according to Part II.E.2.c of the permit, and submit the summary inspection report to EPA.

All submittals made in response to this letter must be accompanied by the following certification, which is to be signed by Permittee's proprietor or general partner in accordance with 40 CFR §144.32(a):

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

Please submit the requested information to:

Eric Byous
USEPA, Region 9
Ground Water Office (WTR-9)
75 Hawthorne Street
San Francisco, CA 94105

ENFORCEMENT AUTHORITY

Failure to comply with the conditions of this Notice of Violation or cure the violations described above may subject you to formal enforcement action by EPA with significant monetary penalties. Penalties imposed in civil judicial actions under Section 1423(b) of the Safe Drinking Water Act (SDWA), 42 U.S.C. 300h-2(b), and 69 Fed. Reg. 7121 (Feb. 13, 2004), can be as much as \$32,500 per day per violation. In addition, pursuant to Section 1423(c) of the SDWA, EPA may issue an order assessing a civil penalty of not more than \$11,500 for each day of violation, up to a maximum penalty of

\$157,500. EPA reserves its rights to pursue enforcement action for any past, present, or future violation, including injection without authorization by rule or permit. Noncompliance with this Notice of Violation could also result in the revocation of your Class V permit. This letter addresses only federal Underground Injection Control laws and states no position regarding compliance with other applicable laws.

EPA has promulgated regulations to protect the confidentiality of business information it receives. These regulations are set forth in 40 CFR Part 2, Subpart B, and in the Federal Register at 41 Fed. Reg. 36902 (Sept. 1., 1976), Fed. Reg. 40000 (Sept. 8, 1978), 50 Fed. Reg. 51661 (Dec. 18, 1985), and 58 Fed. Reg. 461 (Jan. 5, 1993). A claim of business confidentiality may be asserted in the manner specified in 40 CFR §2.203(b) for part or all of the information requested in this letter. EPA will disclose business information covered by such a claim only to the extent authorized under 40 CFR Part 2, Subpart B. If no business confidentiality claim accompanies the information when EPA receives it, EPA may make it available to the public without further notice. You may not withhold any information from EPA on the grounds that it is confidential business information.

EPA has enclosed an Information Sheet that you may find helpful if you are a small business as defined in 13 CFR §121.201, to obtain compliance assistance or to comment on this matter to the Small Business and Agriculture Regulatory Enforcement Ombudsman or the Regional Fairness Board.

Thank you for your prompt attention to these matters. If you have any questions, please contact Eric Byous of my staff at (415) 972-3531.

Sincerely,

David Albright
Manager, Ground Water Office

Enclosure

cc: Ray May, PTP, Incorporated
Ernie Crowley, PTP, Incorporated
Curtis Millsap, Bureau of Indian Affairs